

HB 428 -- TAX CREDITS FOR CONTRIBUTIONS TO SCHOOL FOUNDATIONS

SPONSOR: Swan

For all tax years beginning on or after January 1, 2016, a taxpayer must be allowed to claim a tax credit against the taxpayer's state tax liability in an amount equal to 50% of the taxpayer's contribution to a qualified organization.

The amount of the tax credit claimed must not exceed the amount of the taxpayer's state tax liability for the taxable year that the credit is claimed, and the taxpayer is not allowed to claim a tax credit in excess of \$50,000 per taxable year. Any tax credit that cannot be claimed in the taxable year that the contribution was made may be carried over to the next four succeeding taxable years until the full credit has been claimed. A taxpayer's minimum contribution or contributions to a qualified organization or organizations must be \$100, except for excess credit that is being carried over.

The Director of the Department of Elementary and Secondary Education must determine, at least annually, which organizations in the state may be classified as qualified organizations and may require the organization seeking the classification to provide any information that is reasonably necessary to make the determination.

The director must establish a procedure for a taxpayer to determine if an organization is classified as a qualified organization. Qualified organizations must be permitted to decline a contribution from a taxpayer. The total amount of tax credits for all taxpayer contributions to qualified organizations in any one fiscal year must not exceed \$2.5 million for all fiscal years beginning on or after July 1, 2016. Tax credits must be issued in the order contributions are received.

The director must establish a procedure, as specified in the bill, to determine if the cumulative amount of tax credits are equally apportioned among all organizations classified as qualified organizations. If a qualified organization fails to use all, or some percentage to be determined by the director, of its apportioned tax credits during this predetermined period of time, the director may reapportion these unused tax credits to those qualified organizations that have used all, or some percentage to be determined by the director, of their apportioned tax credits during this predetermined period of time. The director may establish more than one period of time and reapportion more than once during each fiscal year. To the maximum extent possible, the director must establish the procedure described in this subsection in such a manner as to ensure that taxpayers can claim all the tax

credits possible up to the cumulative amount of tax credits available for the fiscal year.

Each qualified organization must provide information to the director with the identity of each taxpayer making a contribution to the qualified organization who is claiming a tax credit and the amount of the contribution. The director must provide the information to the Director of Revenue. The director must be subject to the confidentiality and penalty provisions of Section 32.057, RSMo, relating to the disclosure of tax information.

The provisions of this section must not limit or in any way impair the department's ability to issue tax credits authorized on or before the date the program authorized under this section expires or a taxpayer's ability to redeem the tax credits.

The program will expire on December 31, 2021.